

ASSISTANT CLERK: LB 626 was introduced by Senator Kristensen. (Read title.) The bill was read for the first time on January 18 of this year, referred to the Banking Committee. That committee reports the bill to General File with committee amendments.

SPEAKER WITHEM: Banking Committee again? Oh well. Senator Landis.

SENATOR LANDIS: Thank you, Mr. Speaker, members of the Legislature, LB 626 was brought to us by Senator Kristensen. It was endorsed by the Kansas, Nebraska, Oklahoma League of Savings Institutions and the Nebraska Bankers Association, it was reported out seven to zip. The bill itself is a form of confidentiality or immunity, if you will, for bank records of a certain kind; these are the bank compliance review documents. That means if the bank creates a compliance review committee to see how it's doing in complying, let's say, with some state laws or federal laws, and they develop internal memorandum to themselves saying that they need to do better in this area or they need to do better in this area, then those kinds of reports will be confidential in one and only one case. Number one, in a civil lawsuit, not a criminal lawsuit, but a civil lawsuit and if and only if this is information which is not otherwise available for discovery or admissibility through some other record. In other words, you can't immunize the bank by taking information and running it through your compliance review committee and thereby making it somehow immune from discovery or admission into evidence. Why would we do this? Well Senator Kristensen is going to explain why this is a permissible idea. I'm going to tell you what the committee amendments do. The committee amendments say this, that any information, documents or records which are otherwise available from original sources will not be immune from discovery or inadmissibility in any civil action merely because the information, documents or records were evaluated by the compliance review committee. In other words, if there's some basic data, some basic loan forms, some basic work product from some place else in the bank, just because they get looked at by the compliance review committee does not immunize them. If, on the other hand, the compliance review committee does make its own internal memorandum, that is not discoverable in a civil cause of action and the committee amendment serves, I think, to make that immunity smaller and clearer and I think it's Senator Kristensen's job to explain why that's a good idea. I think you'll generally see that it is a